

ESD-10. Grace Period for Replacement of Carbon-Intensive Units

Policy Description

This policy consists of a ‘grace period’ of a number of years during which time existing fossil fuel-fired units that are scheduled to be shut-down and replaced by units with little or no greenhouse gas emissions are exempted from new CO₂ emission requirements or penalties.

Policy Design

A grace period of up to 5 years where coal or gas units slated to be replaced by nuclear generation or renewable generation are exempted from any CO₂ tax or penalty up to either the shut-down date of the existing unit or the operational date of the replacement unit, whichever is earlier.

Goals: Not quantifiable

Timing: TBD – Operational in [year].

Parties Involved: TBD – [e.g., electric generating companies].

Other: TBD – [as approved by the TWG]

Implementation Mechanisms

TBD – [as approved by the TWG]

Related Policies/Programs in Place

TBD – [as needed and approved by the TWG]

Type(s) of GHG Reductions

TBD – [as approved by the TWG]

Estimated GHG Reductions and Costs or Cost Savings

TBD – [as approved by the TWG]

Data Sources: [TBD, as approved by the TWG]

Quantification Methods: [e.g., Full life-cycle analysis with supply/demand equilibrium adjustments on TWG approval]

Key Assumptions: [TBD, as approved by the TWG]

Key Uncertainties

TBD – [as needed and approved by the TWG]

Additional Benefits and Costs

TBD – [as needed and approved by the TWG]

Feasibility Issues

TBD – [as needed and approved by the TWG]

Status of Group Approval

Pending – [until CAT moves to final agreement]

Level of Group Support

TBD – [blank until completed by CAT]

Barriers to Consensus

TBD – [blank until completed by CAT]